

Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 NEA-10 IO-13 ISO-00 AGR-05 L-03
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FM USMISSION GENEVA
TO SECSTATE WASHDC 6911
INFO AMEMBASSY CARACAS
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E.O.11652: NA

TAGS: UNCTAD, EGEN

SUBJECT: UNCTAD: 8TH SPECIAL SESSION OF TDB ON R & A: GENERAL DEBATE SPEECHES ON APRIL 26-27

REF: GENEVA 3141

1. SUMMARY: IN 8TH SPECIAL SESSION OF UNCTAD TDB ON REVIEW AND APPRAISAL (R&A), APRIL 26-27, MOST NOTEWORTHY SPEECHES WERE MADE BY VENEZUELA, WHICH CLAIMED THAT OPEC COUNTRIES, RATHER THAN DAC, WERE PROVIDING "AUTHENTIC" DEVELOPMENT ASSISTANCE TO LDCS, AND INDIA, WHICH PREDICTED WHAT G-8 COUNTRIES WOULD OFFER IN CIEC AND PRAISED CARTER ADMINISTRATION'S EMPHASIS ON POLITICAL AND HUMAN RIGHTS. EC-9, JAPAN AND U.S. HAD PLANNED NOT TO MAKE INDIVIDUAL STATEMENTS, BUT TO STAND BEHIND GROUP B STATEMENT REPORTED IN REFTEL. HOWEVER, THE EC-9, IN RESPONSE TO DUTCH PRESSURES AND DESIRE OF GERMANS, FRENCH AND ITALIANS TO REBUT VENEZUELAN STATEMENT, MADE A STATEMENT ON APRIL 27 WHICH

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REVIEWED EC-9 DEVELOPMENT AID ACTIVITIES AND TRADE POLICY TOWARD LDCS. USDEL AND THE JAPANESE NEVERTHELESS PRESENTLY PLAN TO STAND BY EARLIER DECISION NOT TO SPEAK WHEN PLENARY RESUMES ON APRIL 29. NORWAY AND NETHERLANDS ARE ONLY OTHER GROUP B COUNTRIES WHICH HAVE MADE STATEMENTS IN GENERAL DEBATE ON R & A. OTHERS WHICH HAVE MADE STATEMENTS INCLUDE GROUP D, CHINA, COUNCIL FOR ARAB ECONOMIC UNITY, EGYPT,

ROMANIA, YUGOSLAVIA, USSR, ISRAEL AND ARGENTINA. MAJOR POINTS OF MOST NOTEWORTHY STATEMENTS ARE SUMMARIZED BELOW. END SUMMARY.

2. INDIA - LALL, INDIA'S AMBASSADOR IN BRUSSELS, SPOKE FOR AN HOUR ABOUT PROSPECTS FOR THE NORTH/SOUTH DIALOGUE AND CIEC. BASED ON HIS TALKS WITH AMERICANS AND JAPANESE OFFICIALS IN BRUSSELS, LALL PREDICTED THAT THE G-8 WILL PRESENT PACKAGE IN CIEC MINISTERIAL CONTAINING FOLLOWING ELEMENTS: (1) SOME MEASURES TO RELIEVE DEBT BURDENS OF LDCS; (2) A COMMITMENT FOR SOME INCREASE IN ODA; AND (3) SOME "SPECIAL ACTION" THAT WILL BE PROPOSED TO MEET THE BASIC NEEDS OF LDCS. POINTING OUT THAT THERE WILL INEVITABLY BE A GAP BETWEEN WHAT G-19 ARE SEEKING AND WHAT G-8 ARE WILLING TO PROVIDE, LALL SAID NORTH/SOUTH DIALOGUE WOULD BE IMPROVED IF THE G-8 COUNTRIES WOULD STATE FRANKLY ON MAY 30 WHAT THEY ARE PREPARED TO DO NOW AND WHICH ISSUES THEY ARE PREPARED TO CONTINUE TALKING ABOUT IN UNCTAD AND OTHER FORA.

3. OTHER POINTS OF INTEREST IN LALL'S SPEECH INCLUDED THE FOLLOWING: (A) HE IS ENCOURAGED BY WHAT HE HEARS ABOUT NEW CARTER ADMINISTRATION IN U.S. AND ITS EMPHASIS ON POLITICAL RIGHTS AND HUMAN DIGNITY; (B) STRESSED NEED FOR DCS TO OPEN THEIR MARKETS TO LDC LABOR INTENSIVE PRODUCTS, SUCH AS TEXTILES AND CARPETS, WHICH HAVE HIGH GROWTH POTENTIAL, AND ADVOCATED EASING THE MULTI-FIBERS AGREEMENT; (C) SUGGESTED THAT WHAT PRESIDENT CARTER IS TRYING TO DO ON ENERGY IN THE U.S. COULD PERHAPS BE DONE ON A LARGER LIMITED OFFICIAL USE

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SCALE TO ASSURE ADEQUATE WORLDWIDE SUPPLIES OF ENERGY; (D) INDIRECTLY REBUTTED VENEZUELAN STATEMENT BY STATING THAT OPEC MONEY TRANSFERRED TO LDCS ACTUALLY FLOWS BACK TO DONOR COUNTRIES; (E) STATE INDIA HAD JUST EMERGED FROM "A CHASTENING EXPERIENCE", AND EXPRESSED HOPE THAT DCS WILL NOW MORE CLOSELY COOPERATE WITH INDIA SINCE IT VOTED FOR FREEDOM AND HUMAN RIGHTS.

4. VENEZUELAN STATEMENT CRITICIZED ASSISTANCE PROVIDED BY OECD COUNTRIES AS "NOT PRAISEWORTHY" SINCE FEW HAVE REACHED THE ONE PERCENT FLOW TARGET AND MOST OF THESE FLOWS CONSIST OF LOANS--NOT GRANTS--90 PERCENT OF WHICH COME BACK TO THE LENDING COUNTRY. OPEC ASSISTANCE WAS CONTRASTED AS "AUTHENTIC ASSISTANCE" TO LDCS, GRANTED WITHOUT CONDITIONS AND TAKEN FROM OPEC COUNTRIES' OWN NONRENEWABLE RESOURCES.

5. CHINESE STATEMENT WAS NOTEWORTHY FOR ITS STRONG CRITICISM OF THE USSR AND ALMOST COMPLETE LACK OF CRITICISM OF THE U.S. NOTING THAT TWO SUPERPOWERS ARE USING DIF-

FERENT TACTICS TO OPPOSE THE NIEO, CHINA SAID THAT THE SUPER-
POWER WHICH CLAIMS TO BE A FRIEND OF THE LDCS IS ACTUALLY
CAMOUFLAGING ITS EXPLOITATION OF THE LDCS AND IS "MORE
FEROCIOUS THAN THE OLD-TIME COLONIAL POWERS". IT ALSO
ACCUSED THIS SUPERPOWER OF CARRYING OUT EXPANSION AND AG-
GRESSION, AND OF BUILDING UP ARMS AND PREPARING FOR WAR.

6. THE USSR MADE A RELATIVELY MILD STATEMENT, WHICH DID
NOT RESPOND TO THE CHINESE. THE SOVIETS SAID IT WAS TOO
EARLY TO DEVELOP A STRATEGY FOR THE NEXT DECADE, BUT SUG-
GESTED THAT THE LDCS MIGHT WANT TO CONSIDER THE STRENGTHS
OF THE SOVIET SYSTEM WHICH BRINGS WORKERS INTO THE DECISION-
MAKING PROCESS. GROUP D (USSR PLUS EAST EUROPEAN COM-
MUNIST STATES) SUGGESTED THAT IN ADDITION TO THE NIEO,
ECONOMIC PROGRESS DEPENDS ON LDCS'EFFORTS TO COMILIZE
THEIR OWN RESOURCES AND ACHIEVE ECONOMIC INDEPENDENCE.
GROUP D ALSO SAID THAT LIMITING THE ARMS RACE AND REALCING
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INTERNATIONAL TENSIONS WERE PREREQUISITES FOR ECONOMIC
DEVELOPMENT.

7. THE EC-9, IN A REVIEW OF ITS AID AND TRADE COMMITMENTS,
DESCRIBED THE LOME CONVENTION AND OTHER ASSISTANCE MEASURES,
POINTING OUT THAT OVERALL GRANT ELEMENT IN
THESE COMMITMENTS I WELL OVER 90 PERCENT. STATING THAT

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THE COMMUNITY ATTACHES GREATEST IMPORTANCE TO DEVELOPING ITS TRADE WITH THE LDCS, THE EC-9 CITED ITS GSTP PROGRAM, ITS CONCESSIONS IN TROPICAL PRODUCTS, AND TARIFF REDUCTIONS MADE IN THE MTN ON ITEMS OF SIGNIFICANT INTEREST TO THE LDCS. IN COMMODITIES, THE EC-9 POINTED TO THE RECENT DECISION MADE BY THEIR HEADS OF GOVERNMENT THAT "THERE SHOULD BE COMMODITY PRICE STABILIZATION AGREEMENTS WHERE APPROPRIATE, THAT THERE SHOULD BE A COMMON FUND, AND THAT FURTHER MEASURES FOR THE STABILIZATION OF EXPORT EARNINGS SHOULD BE STUDIED".

8. THE NETHERLANDS AGREED WITH THE UNCTAD SYG'S REPORT (TD/B/642) THAT THE IDS HAS FAILED BECAUSE ITS UNDERLYING CONCEPTS AND ASSUMPTIONS WERE NOT IN KEEPING WITH REALITIES. THE DUTCH DELEGATE URGED THE TDB TO START THINKING ABOUT A DEVELOPMENT STRATEGY FOR THE THIRD DECADE, WHICH SHOULD BE FOCUSED ON ATTAINING A NIEO. HE SUGGESTED THAT ONE QUESTION TO EXAMINE WITH RESPECT TO NEW STRATEGY IS LIMITED OFFICIAL USE

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WHETHER LEGALLY BINDING COMMITMENTS OR VOLUNTARY NON-BINDING PROMISES WILL GIVE OPTIMAL RESULTS, INDICATING THAT THE DUTCH AT THIS POINT SEE NO ANSWER TO THIS PROBLEM. HE ALSO QUESTIONED WHETHER A DECADE IS TOO SHORT OR TOO LONG A TIMESPAN FOR A NEW STRATEGY. HE SUGGESTED THAT THE FORMULATION OF A NEW STRATEGY BE CARRIED OUT BY THE UN SECRETARIAT WITH THE ASSISTANCE OF OUTSTANDING RESEARCH CENTERS OUTSIDE THE UN SYSTEM, POINTING OUT THAT THE NETHERLANDS HAS PLEDGED \$2 MILLION FOR THE INITIATION OF SUCH A PROCESS.

9. NORWAY STATED THAT LITTLE PROGRESS HAS BEEN MADE IN THIS DECADE IN ACHIEVING A MORE JUST AND RATIONAL WORLD ORDER, AND THAT THE GAP BETWEEN RICH AND POOR COUNTRIES IS WIDENING. REAFFIRMING HIS COUNTRY'S SUPPORT FOR A NIEO, THE NORWEGIAN DELEGATE SAID GON BELIEVES THAT THIS CANNOT BE ACHIEVED BY MARKET FORCES ALONE; THEREFORE GON IS WILLING TO COOPERATE IN UNCTAD AND OTHER FORUMS TO EXTEND REGULATORY MEASURES BEYOND NATIONAL BORDERS "TO BRING A SYSTEM OF CONTROL AND PURPOSE" TO BEAR UPON INTERNATIONAL ECONOMIC RELATIONS. POINTING OUT THAT NORWAY ATTAINED THE 0.7 PERCENT ODA TARGET IN 1976, HE ANNOUNCED THAT IT WOULD REACH THE 1 PERCENT TARGET FOR ODA APPROPRIATIONS IN 1978,

AND PLANNED TO INCRDEASE ITS TOTAL AID BUDGET BY 9.1PERCENT FOR EACH OF THE SUBSEQUENT THREE YEARS TO REACH 1.3 PERCENT IN 1981. IN ADDITION, NORWAY EXPRESSED SUPPORT FOR INTER-NATIONAL ARRANGEMENTS TO IMMEDIATELY RELIEVE THE DEBT BURDENS OF LDCS. REAFFIRMING ITS SUPPORT FOR UNCTAD'S INTEGRATED PROGRAM FOR COMMODITIES, NORWEGIAN DELEGATE SAID THE IPC "SHOULD CONSIST OF COMMODITY AGREEMENTS BUILT AROUND THE COMMON FUND, AS A CENTRAL SOURCE OF FINANCE FOR THEIR BUFFER STOCK OPERATIONS AND OTHER MEASURES AS REQUIRED". EXPRESSING HPOE THAT THE COMMON FUND NEGOTIATING CONFERENCE WILL BE RESUMED LATER THIS YEAR, HE SAID THE GON ASSUMES THAT ANY MAJOR OUTSTANDING PROBLEMS OF THE IPC WILL BE BROUGHT UP IN A FEW MONTHS AT THE TDB LIMITED OFFICIAL USE

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MINISTERIAL "FOR FURTHER CLARIFICATION".

10. ISRAEL, IN A CONCILIATORY, PRO-LDC SPEECH, PRAISED UNCTAD FOR GIVING SO MUCH ATTENTION TO THE LEAST DEVELOPED COUNTRIES AND STATED ITS INTENTION TO PARTICIPATE IN A FORTHCOMING UNCTAD MEETING BETWEEN LEAST DEVELOPED COUNTRIES AND DONORS. THE ISRAELI DELEGATE EXPRESSED REGRET, HOWEVER, THAT UNCTAD DOCUMENTATION PREPARED FOR THIS MEETING MENTIONS ONLY ASSISTANCE GRANTED BY THE DAC COUNTRIES, AND SAID THAT HE NOTED THE VENEZUELAN STATEMENT WITH GREAT INTEREST. HE ALSO EXPRESSED GOI SUPPORT FOR THE IPC, INCLUDING THE COMMON FUND, BUT SAID THAT THE CF DID NOT NECESSARILY HAVE TO BE DISCUSSED ONLY IN UNCTAD, "BUT COULD BE PART OF A PACKAGE DEAL NEGOTIATED ELSEWHERE". PLEDGING THAT ISRAEL WILL COOPERATE WITH ITS LIMITED RESOURCES TO PROMOTE LDC COLLECTIVE SELF-RELIANCE, HE EXPRESSED CONFIDENCE THAT THE MEETING NEXT WEEK OF UNCTAD'S COMMITTEE ON ECONOMIC COOPERATION AMONG LDCS WILL HAVE GOOD RESULTS.

11. EGYPT, SPEAKING ON ITS OWN BEHALF RATHER THAN AS G-77 SPOKESMAN, DESCRIBED UNCTAD IV AS "A COMPLETE FAILURE" SINCE IT FAILED TO PROVIDE RELIEF FOR DEBT PROBLEMS OF LDCS, AND SAID THAT LDCS NOW AWAIT OUTCOME OF CIEC AND TDB MINISTERIAL FOR A REASONABLE SOLUTION TO DEBT PROBLEMS. THE EGYPTIAN DELEGATE ALSO STRESSED IMPORTANCE OF MTN AND IMPORTANCE OF DCS' LIMING UP TO TOKYO DECLARATION COMMITMENT TO GIVE SPECIAL AND DIFFERENTIAL TREATMENT TO LDCS.

12. ARGENTINA COMMENTED ON DOCUMENT PREPARED BY UNCTAD SYG (TD/B/642), WHICH IT DESCRIBED AS AN INTERESTING AND VALUABLE DOCUMENT CONTAINING SOME CONTROVERSIAL POINTS OF VIEW, BUT WHICH UNFORTUNATELY WAS NOT SUBMITTED IN TIME FOR GOVERNMENTS TO ANALYZE. ROMANIA AND YUGOSLAVIA, AS

MEMBERS OF THE G-77, BOTH EXPRESSED SUPPORT FOR EARLIER
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G-77 STATEMENT. ROMANIA STATED THAT THE IDS FAILED BE-
CAUSE THE DCS FAILED TO IMPLEMENT THEIR SHARE OF THE COM-
MITMENTS, THAT THE IDS CANNOT BE IMPLEMENTED WITHOUT
ACHIEVEMENT OF THE NIEO, AND THAT PRACTICES OF TRANS-
NATIONAL CORPORATIONS HINDER TRADE, PARTICULARLY THAT OF
LDCS. YUGOSLAVIA EXPRESSED SUPPORT FOR LDC COLLECTIVE
SELF-RELIANCE, AND SAID THAT IT WAS NOT BASED ON AUTARKY
BUT WAS PART OF EFFORT TO ESTABLISH A BETTER MEANS FOR
GLOBAL ECONOMIC COOPERATION. THE COUNCIL FOR ARAB
ECONOMIC UNITY SAID THAT NO PROGRESS HAS BEEN MADE
SINCE UNCTAD IV AND SAID PRIORITY SHOULD BE GIVEN TO
IMPLEMENTING DECISIONS OF UNCTAD IV AND THE UN GENERAL
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